

ATTACHMENT 12

**BEFORE THE
PUBLIC SERVICE COMMISSION
OF MARYLAND**

In the Matter of)	
)	
The Complaint of CloseCall America, Inc. v.)	Case No. 8927
Verizon Maryland Inc.)	
)	

TESTIMONY OF SHERRY LICHTENBERG

Q. Please state your name, employer and title.

A. My name is Sherry Lichtenberg. I am currently employed by WorldCom, Inc. as a Senior Manager in the Mass Markets local services team.

Q. Please describe your business experience.

A. I have twenty years of experience in the telecommunications market. Prior to joining WorldCom, Inc., I was Pricing and Proposals Director for AT&T Government Markets, Executive Assistant to the President, and Staff Director for AT&T Government Markets. I also held a number of positions in Product and Project Management. I have been with WorldCom, Inc. for six years. My duties include designing, managing, and implementing WorldCom's local telecommunications services to residential customers on a mass-market basis nationwide. I have participated in numerous DSL forums, most recently with SBC/Ameritech to attempt to negotiate procedures and requirements for providing incumbent local exchange carrier ("ILEC") DSL on UNE-P lines. I have filed testimony on the need for retaining ILEC DSL when a customer migrates their voice service to UNE-P in Michigan, Indiana, Wisconsin, Louisiana, and Georgia

Q. Is WorldCom currently in the residential local exchange market in Maryland?

A. Yes. WorldCom entered the local exchange market in Maryland via the UNE-Platform in April of 2002. Currently, WorldCom offers its Neighborhood product in Maryland, which is a bundled offering of unlimited local and toll calling.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to discuss Verizon Maryland Inc.'s ("VZ-MD") anticompetitive policy of tying its line sharing DSL service to its local voice service and the disruption that causes to Maryland consumers, as well as the chilling effect that policy has on the development of local exchange competition in the state of Maryland.

Q. What happens to a consumer today who has VZ-MD DSL but decides to switch from VZ-MD local voice to a UNE-P competitor?

A. Today, an end user that currently subscribes to VZ-MD local voice service and VZ-MD DSL service on the same line cannot switch his or her voice service to a UNE-P competitor and still maintain the VZ-MD DSL service on the same line. If an end user wants to switch his or her local voice service to a competitor who provides service via UNE-P, VZ-MD will disconnect that consumer's DSL service.

Q. Are you aware of any technical reason why VZ-MD must disconnect a consumers DSL service if that consumer chooses a competitor for voice?

A. No, I am not aware of any technical reason why VZ-MD must disconnect a customers DSL service when that customer chooses a UNE-P competitor for voice service. Certainly there may be some minor administrative matters (similar to line sharing issues) that need to be taken care of, but my understanding is that this is a policy decision that Verizon has made.

Q. Does VZ-MD deny that its policy is to disconnect the end users DSL even though there is no technical reason to do so?

A. No. VZ-MD does not deny that its policy regarding the provision of DSL is to terminate the DSL service once an end user chooses a UNE-P competitor for local voice service. VZ-MD justifies this policy by stating that it is not required to provide DSL service to end users who get their local voice service from a UNE-P competitor.

Q. What effect does VZ-MD's policy position have on consumers in Maryland?

A. Termination of a customer's DSL service from Verizon would be extremely disruptive to consumers in Maryland – even if that customer could get DSL service from a competing carrier (or from WorldCom).

Q. Please explain.

A. There are at least three potential scenarios for customers with VZ-MD DSL who wish to migrate their voice service to WorldCom and all three result in either disruption or confusion for the customer.

First, the customer simply would not be able to change their voice provider because when the order to change the customers voice provider to a UNE-P competitor is received by VZ-MD it is rejected. This scenario undoubtedly causes confusion for the customer and leaves a negative impression of the competitor who was “unable” to switch the customer's service.

Second, the customer could try to switch DSL service to a competing carrier (or WorldCom). This option is fraught with difficulties for the consumer. There may be no

competing carrier that offers DSL service. Even if a competing carrier offers (an equivalent or better) DSL service to the consumer, the consumer would need to go through the sign up and the installation process – again. This may involve different equipment than the customer currently has in his/her computer. The customer would need to change his/her Internet Service Provider. That means reconfiguring software on the consumer's personal computer, changing e-mail addresses, and notifying the consumers e-mail correspondents of the e-mail change.

Third, the consumer could try to keep his/her VZ-MD DSL service, but through the use of a second line. This assumes, of course, that a second line is available to that consumer that is compatible with DSL service. The customer would, presumably, experience a disruption in his/her VZ-MD DSL service because the VZ-MD DSL on the "voice" line would be first terminated and then later (at some point) re-established on a second line. This may also involve additional expense to the consumer and even the necessity for the consumer to be at home if VZ-MD requires a field dispatch in order to install the second line.

Q. Is VZ-MD's policy regarding the termination of DSL when a customer attempts to switch voice service also anticompetitive and discriminatory?

A. Yes. First, the policy is clearly anti-competitive. Because of all the customer disruption issues noted above, customers who have VZ-MD for both voice and DSL are clearly going to be discouraged – or at least think twice – before switching their voice service to carrier such as WorldCom. To the extent problems arise in the transition to the DSL service, customers are sure to blame WorldCom -- or at least blame the process by

which their local service was switched. WorldCom has been working for years to make the switch of local carriers as seamless and easy for customers as the switch of long distance carriers. VZ-MD's policy moves in the wrong direction. Far from making the switch seamless, VZ-MD creates a rather large chasm for customers to cross. Because there is no good reason for this "policy" other than that's the way VZ-MD wants it, I would call that anti-competitive. In essence, VZ-MD is attempting to leverage its DSL service to prevent customers from switching local providers.

VZ-MD's policy is also discriminatory. VZ-MD will permit its DSL service to be sold with its voice service, but will not permit its DSL service to be sold with a competitor's voice service (at least a competitor who uses UNE-P, as most major residential CLECs do). Given that there's no technical basis to make that distinction, that's the essence of discrimination.

Q. Doesn't VZ-MD claim that the "broadband" market is competitive, and hence if customers don't like its policy they can switch "broadband providers?"

A. VZ-MD may claim that, but that ignores the reality of the situation. First, the very fact that VZ-MD thinks it can "leverage" its DSL service to provide it an advantage over voice competitors should tell this Commission that it does not fear any marketplace pressure from broadband competitors. VZ-MD clearly feels that customers will want to retain their DSL service, at the expense of foregoing a change in the voice provider. Phrased differently, if VZ-MD truly felt competitive pressure on the broadband side (either from cable modem service providers or alternative DSL providers), it would want

to keep customers on their DSL – even if that customer switched the underlying voice carrier.

VZ-MD may feel that once a customer has gone through the process of signing up for VZ-MD DSL service and VZ-MD ISP service, that customer will not be inclined to change his/her service due to the “customer disruption” issues I mentioned previously.

Q. Can WorldCom simply resell VZ-MD’s DSL?

A. Theoretically. But that would require WorldCom to become a reseller of VZ-MD’s voice service in order to have the customer keep his/her DSL service. WorldCom has tried resale as a means of entering the local market. It doesn’t work, at least not for us. Furthermore, if WorldCom were to try to use resale of voice as a local entry means, WorldCom would have to forego offering new, innovative services such as “The Neighborhood” – at least for those customers who had VZ-MD DSL. Thus, WorldCom would have to market and support two very different types of local products – The Neighborhood, for customers with no VZ-MD DSL, and resold VZ-MD Local, for customers with VZ-MD DSL. Aside from the additional burdens imposed by supporting two distinctly different products, this may create even more customer confusion. It’s simply not a viable option in the real world.

Q. Why doesn’t WorldCom simply offer its own DSL service?

A. Of course, it is easy to say you can offer DSL service, it’s quite another thing to actually provide DSL service on a mass markets basis. But in a larger sense, whether WorldCom can or cannot offer a competing DSL service is not the issue here. In this

case, the customer has already chosen VZ-MD as his/her DSL provider. As a result, we are addressing the situation where a VZ-MD voice and DSL consumer wants to switch his or her voice service, but does not want to switch his/her DSL service. Allowing consumers to retain their VZ-MD DSL on the same line as their local voice service from a competitor will avoid significant disruption to the consumer and yet still allow that consumer to choose a competitor for its voice service.

Q What do you recommend the Commission do in this case?

A. My recommendation is that the Commission prohibit VZ-MD from disconnecting a customer's DSL service when that customer wishes to switch his/her voice service over to a competing carrier. If VZ-MD wishes to continue to use the same line that is used for voice in order to provision its DSL service, then WorldCom will enter into a line sharing agreement with VZ-MD. If VZ-MD wishes to use a second line for its DSL service, it should be permitted to do so only if it can do so without disrupting the customers DSL service.

Q. Does this conclude your testimony?

A. Yes.